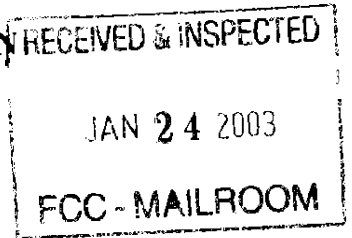


Before the
FEDERAL COMMUNICATIONS COMMISSION
 Washington, D.C. 20554



 In the Matter of)
)
 Petition for Declaratory Ruling that AT&T's)
 Phone to Phone IP Telephony Services Are)
 Exempt from Access Charges)
 _____)

WC Docket No. 02-361

REPLY COMMENTS OF SOUTHEASTERN SERVICES, INC.

Pursuant to the Federal Communications Commission's ("FCC's" or "Commission's") Public Notice (DA 02-3184) issued on November 18, 2002, inviting comments on AT&T Corp.'s ("AT&T") Petition for Declaratory Ruling ("Petition") filed October 18, 2002, Southeastern Services, Inc. ("SSI") submitted comments on December 18, 2002. SSI hereby submits the following reply comments.

AT&T's Petition requested the Commission to declare that its phone-to-phone IP telephony services are exempt from access charges. As stated in its comments filed December 18, 2002, SSI is an enhanced and information service provider ("ISP") providing phone-to-phone IP telephony in the State of Florida, with its principal place of business in Macclenny, Florida. SSI is certificated by the Florida Public Service Commission as an Alternative Local Exchange Company ("ALEC") and is, in fact, providing alternative local telecommunications services. SSI is also certificated by the Florida Public Service Commission as an Interexchange Company ("IXC"), however SSI is not providing circuit-switched long distance services.

U

In its comments of December 18, 2002, SSI stated that it fully supports the positions and arguments asserted by AT&T in its Petition and urged the Commission to expeditiously grant AT&T's Petition.

In these reply comments, SSI is providing the Commission with a more complete picture of the situation in which SSI, as a provider of voice over internet protocol ("VOIP") services, currently finds itself. SSI is providing the following series of letters to SSI from Northeast Florida Telephone Company, Inc. ("NEFCOM"), a rural incumbent local telephone company ("ILEC") located in Macclenny, Florida, and SSI's letters of response. These letters demonstrate clearly the critical nature of these issues for SSI, other small ISPs, the entire VOIP industry, and the consuming public across the nation.

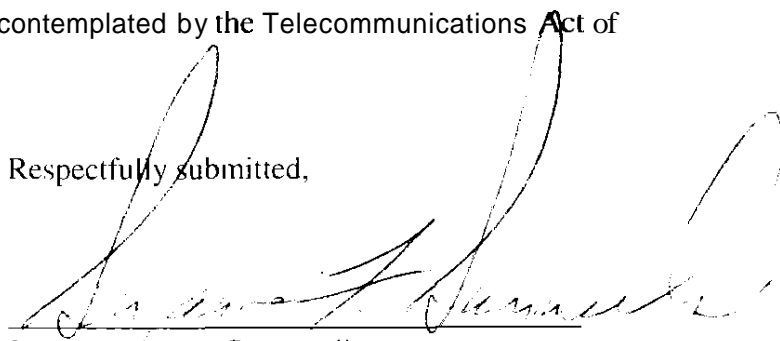
1. Exhibit A - Letter of September 12, 2002, from NEFCOM to SSI
2. Exhibit B - Letter of October 3, 2002, from NEFCOM to SSI
3. Exhibit C - Letter of October 16, 2002, from SSI to the Florida Public Service Commission
4. Exhibit D - Letter of December 3, 2002, from NEFCOM (on letterhead of Townes Telecommunications Services Corporation) to SSI
5. Exhibit E - Letter of December 11, 2002, from SSI's counsel to NEFCOM's counsel
6. Exhibit F - Letter of December 19, 2002, from NEFCOM's counsel to SSI's counsel

7. Exhibit G - January 1, 2003 billing from NEFCOM to SSI for the months of November and December 2002 and for the months of January and February 2003

This series of communications between SSI and NEFCOM and the Informal Complaint filed by SSI at the Florida Public Service Commission amply demonstrates the tremendous pressure NEFCOM is applying to SSI for the payment of access charges, as well as other anti-competitive practices NEFCOM has utilized against SSI. If NEFCOM is permitted to continue applying this pressure and, ultimately, to collect these charges, SSI will be put out of business. It is as simple and straightforward as that

The Commission must act **immediately** if it is to avoid the catastrophic harm to ISPs and others providing the precise development of new and innovative services utilizing the public internet that was contemplated by the Telecommunications Act of 1996.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Suzanne Fannon Summerlin', is written over a horizontal line.

Suzanne Fannon Summerlin
Suzanne Fannon Summerlin, P.A.
2536 Capital Medical Boulevard
Tallahassee, Florida 32399
(850) 656-2288
Attorney for Southeastern Services, Inc.

January 23, 2003

EXHIBIT A



NortheastFlorida Telephone Company, Inc.

September 12, 2002

Mark Woods, President
Southeastern Services, Inc.
P. O. Box 365
Macclenny, Florida 32063-0365

Re: Information and Billing Notice

Dear Mr. Woods,

In preparation for our meeting next Thursday, September 19, 2002, we thought it would be helpful to provide to you some background information and an explanation of the results of an in-depth analysis that has led NEFCOM to its current conclusion and action plan regarding the toll service offering that SSI is currently providing in our territory. We are also including a sample bill of the type that we are preparing to send to you on October 1, 2002, for September Feature Group A (FGA) usage, pursuant to NEFCOM's Access Services Tariff. Following is a description of the service as defined in this tariff and NEFCOM's plans to implement proper billing to bring SSI into parity with other Interexchange Carriers (IXCs) with whom NEFCOM interacts for the provision of toll service.

- The Flat Rate Long Distance service that is being offered by SSI provides unlimited nationwide long distance calling for a flat rate amount. It appears that this service is being offered as an optional add-on toll plan to any customer (not just customers of SSI) in addition to local exchange, which is a separate offering. Subscribers to this service access SSI's network via a 7-digit access number. Toll calls are then re-routed over SSI facilities to the world. This is called "line side access" and is defined as Feature Group A (FGA) in the National Exchange Carrier Association (NECA) Handbook. This service is available only to Interexchange Carriers (Please See Attachment A)

Your Quality Service Communications Provider for Over 45 Years

130 North 4th Street • PO Box 485 • Macclenny FL 32063-0485 • (904)259 2261 or Toll Free (877)838-5695

Mark Woods - September 12, 2002
Page 2

- This service is classified as **FGA** regardless of the facility being employed by SSI in the transport of this usage. There are a variety of network options that can be used in the provision of this service, such as T-1s, FGA, FGB, 800 access, and more. While SSI appears to be using internet protocol in the process of transporting the traffic from its facility in Macclenny to the world, this is irrelevant to the fact that these are toll calls that are originated on NEFCOM's switched network and terminated on some other carriers' switched network(s).
- NEFCOM has no problem with the service that SSI is providing. Our only concern is how the service has been requested and the appropriate tariff application for the services that are being provided by NEFCOM. We must assure that NEFCOM is being compensated properly for the use of its facilities and that all IXCs are treated the same with regard to application of NEFCOM's tariff(s) being applied in a non-discriminatory manner. (Please see diagram shown on Attachment E)
- In addition to the above tariff concerns, it is evident, based on our analysis, that the services that SSI is currently subscribing to in NEFCOM's General Subscribers Services Tariff (Local Tariff), i.e., Primary Rate Interface and B-1 services are not being used in a manner consistent with the tariffs intended use of these services. Typically, PRI is used in conjunction with B-1 service, similar to the way a full period T-1 would be used, to provide internet access. In this case, SSI is combining PRI with their local E-1 line in an unusual way so that SSI can essentially "switch" the calls within its router based on extra digits that must be dialed by the customer to determine where the call is supposed to terminate. While there is no specific restrictive language in the tariff, we do not believe the tariffs intent is to provide IXCs with free access to the public switched network for the purpose of avoiding the need to pay access. In other words, the normal use of PRI service, as stated in the tariff, is to provide an "...access link to the [public switched] telecommunications network." The tariff further states the E channels "...may be used to connect the customer's CPE to the Public Switched Telephone Network through outward, inward, or two-way trunks, and/or WATS/800 Service access lines." What it does NOT say is that it can be connected to a T-1 or T-1 type facility. Indeed, IXCs typically order services out of the Access Services Tariff and not the General Subscribers Services Tariff (GSST). The important thing to note here is, no matter what type of service SSI is purchasing from NEFCOM, it cannot carry toll calls (over any type of

09/10/02 14:10 FAX 304 200 1000

Mark Woods - September 12, 2002
Page 3

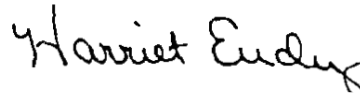
facility at all) without acting as an IXC and becoming subject to the application of access charges.

- Attachment C is a SAMPLE CABS BILL showing the amount of FGA access charges that would have been assessed had NEFCOM sent a bill for the August usage. Please note that we have no plans at this time to retroactively bill for past usage, but simply plan to move forward under the appropriate billing arrangements. The first actual bill that SSI will receive will be for September usage.
- The billing elements included in the sample CABS bill for FGA include Local Switching and Carrier Common Line. These billing elements apply **ONLY TO FACILITIES THAT BELONG TO NEFCOM** and are being used by SSI for completion of this traffic, i.e., the local end office to SSI's premises. There are no transport charges being applied since SSI is providing its own transport. Neither Local Switching or Carrier Common Line are covered in the rates charged for PRI. The tariff for PRI specifically states in A19.1.8.4. "Does not include company-concurred End User Common Line charges set forth in BellSouth's Access Services Tariff (in which Northeast (NEFCOM) concurs)."

We hope this information is helpful in clarifying our position on the billing issues, and we look forward to meeting with you next week to discuss this in more detail.

If you have any questions, please do not hesitate to call me at (386)364-0700.

Sincerely,



Harriet Eudy
Manager of Regulatory Affairs

Cc: Debi Nobles
Sally Simmons - Florida Public Service Commission Staff
Lennie Fulwood, Jr. - Florida Public Service Commission Staff
Jeff Wahlen - Ausley Law Firm

ATTACHMENT A

Comments Regarding Appropriate Compensation for Service Provided to Southeastern Services, Inc. (SSI) by NEFCOM

Background:

SSI (SETEL) is certificated as an Interexchange Carrier (IXC) in the State of Florida, pursuant to Docket No. 011372-TI. Order No. PSC-01-2540-CO-TI, issued December 28, 2001.

SSI (SETEL) is certificated as an Alternative Local Exchange Company (ALEC) in the State of Florida, pursuant to Docket No. 990431-TI. Order No. PSC-99-1205-TC, issued 6/16/99. Certificate No. 7018.

SSI has entered into a resale agreement with NEFCOM whereby SSI purchases local access lines from NEFCOM's GSST at wholesale rates and resells this service to its end users. SSI does not have a local interconnection agreement with NEFCOM, nor does SSI purchase UNEs from NEFCOM for purposes of resale. SSI, therefore, is subject to the terms and conditions of NEFCOM's local General Subscribers Services Tariff on file with the Florida Commission as it relates to the local access lines it purchases from NEFCOM.

NEFCOM, pursuant to Commission Order No. 25723, Docket No. 910731-TL, dated 2/14/92, provides 25 cent calling for its Macclenny customers to Jacksonville. The plan is non-optional, two-way, and is rated at 25 cents per call regardless of call duration. Calling to Jacksonville is local and not subject to toll competition. Interexchange Carriers are not permitted to complete calls from Macclenny to Jacksonville on a 1+ basis, either via presubscription or dial-around access. IXCs may, however, offer calling into Jacksonville via either FGA (Feature Group A), FGB (Feature Group B), or 800 access. Appropriate access charge rates will be applied pursuant to NEFCOM's Access Tariff No. , via Carrier Access Billing Services (CABS).

SETEL (SSI) offers UNLIMITED NATIONWIDE LONG DISTANCE for a FLAT RATE MONTHLY FEE. \$39.95 per month. This is offered by SSI [under its interexchange carrier certificate] as an ADD-ON to Local Service for toll calling and calling into Jacksonville. In fact, it is offered regardless of who the provider of local service is. It could be a NEFCOM local customer calling SSI to sign up. In printed material prepared for individuals who may wish to become agents of SETEL, they explain that we have local access numbers for each seven counties we service. This separates us from being a nationwide company to being a local company. When the customer dials this local number they receive a voice prompt to enter the number you wish to reach; at this point you simply dial the area code and seven-digit number. The customer receives the voice prompt based on Caller ID... This service is, therefore, offered by SETEL (SSI) in accordance with its Interexchange Carrier Certificate. It is FGA type connection. since it involves the use of a seven-digit number for completion of traffic. The National Exchange Carrier Association (NECA) Handbook describes FGA....

FGA is defined as "...Access is available to all Interexchange Carriers (customers). It provides line side access to an Exchange Carrier end office with an associated seven-digit local telephone number for use by the Interexchange Carrier and the IC's customers use in originating and terminating communications."

It is important to note that this traffic is classified as FGA REGARDLESS OF WHAT FACILITY SSI IS USING TO TRANSPORT THE TRAFFIC FROM ITS "SWITCH" TO THE

WORLD. The use of internet protocol in the transmission of this traffic is **IRRELEVANT** to its classification as FGA. What is important is that **SSI** is originating toll calls over NEFCOM's SWITCHED NETWORK and **is** terminating calls elsewhere on the SWITCHED NETWORK. There are a variety of ways in which this can **be** accomplished, such as T-**1** **E** D trunk side connections, FG-A, as **is** being done in this case, FG-B, 600 access, or others.

As an Interexchange Carrier (**IXC**) **SETEL** is not permitted to offer direct (local or 25 cent **plan**) calling into Jacksonville.

NEFCOM Position

SSI has purchased PRUBI connections at the Macclenny exchange, via a seven-digit local access number for purposes of **completing** toll traffic over its network facilities. **SSI** should, instead, have ordered service out of NEFCOM's Access Service Tariff for purposes of providing its toll **service** offering, **just as** any other Interexchange Carrier (**IXC**) would be required to do, via an Access Service Request (**ASR**). The current arrangement not only **violates** NEFCOM's access services tariff, but also places **SSI** in a competitively advantageous position to other **IXCs**, resulting in discriminatory treatment between **IXCs** by NEFCOM.

NEFCOM has no choice but **to** prepare a Carrier Access Bill (**CABS**) for **the** FGA usage being **generated** by **SSI customers** using its toll calling plan. We will provide at least **30** days notice in advance of the bill being due **in order to allow SSI time to review its options.**

Attachment A is a diagram showing the muting of calls from **SSI's** Macclenny customers **to** Jacksonville and the world.

ATTACHMENT A – PAGE 2

FROM: NORTHEAST FLORIDA TELEPHONE CO.

BILL NO

03355529A3

INVOICE NO

02685529-A-02244

TO: SOUTHEASTERN SERVICE INC

BILL DATE

SEP 1, 2002

PAGE 2

• * • SUMMARY OF JURISDICTIONAL CHARGES * * •

TOTAL

USAGE CHARGES - SEE DETAIL
INTRASTATE/INTERLATA

38,537.67

38,537.67

FROM: NORTHEAST FLORIDA TELEPHONE CO.,

BILL NO

03355529A3

INVOICE NO

02685529-A-02244

TO: SOUTHEASTERN SERVICE INC

BILL DATE

SEP 1, 2002

PAGE 3

* INTRASTATE USAGE FOR OFFICE MCLNFLXA259 904-653 JUL 21 2002 THRU AUG 20 2002 •
* • * MPB MULTIPLE BILLS * • *

RATE CATEGORY	ZN	QUANTITY	RATE	AMOUNT
END OFFICE				
LOCAL SWITCHING				
ORIGINATING MINUTES		801,199	.017700000	14,181.22
		-----		-----
TOTAL LOCAL SWITCHING		801,199		14,181.22
TOTAL END OFFICE CHARGES				14,181.22
 CARRIER COMMON LINE				
ORIGINATING MINUTES		801,199	.030400000	24,356.45
		-----		-----
TOTAL CARRIER COMMON LINE		801,199		24,356.45
TOTAL CARRIER COMMON LINE CHARGES				24,356.45
TOTAL INTRASTATE USAGE CHARGES FOR OFFICE MCLNFLXA259				38,537.67

FROM: NORTHEAST FLORIDA TELEPHONE CO

BILL NO

0335552913

INVOICE NO

02685529-A-02244

TO: SOUTHEASTERN SERVICE INC

BILL DATE

SEP 1, 2002

PAGE 4

.....
• INTRASTATE STATS FOR OFFICE MCLNFLXA259 904-653 JUL 21 2002 THRU AUG 20 2002 *
• * • MPB MULTIPLE BILLS * • *

ORIGINATING

RECORDED MOU

MESSAGES

AT/MSG MIN-AT

FACTORED MOU

TANDEM

MTS

(PDR 0, PIU 0, PIIU 100, PLU 0, PIBT N/A)

801,199

244,377

801,139

TOTAL

801,199

244.377

801,199

FROM: NORTHEAST FLORIDA TELEPHONE CO.

BILL NO 03355529A3
INVOICE NO 02685529-A-02244
BILL DATE SEP 1, 2002
PAGE 5

TO: SOUTHEASTERN SERVICE INC

*INTRA/INTRA STATS FOR OFFICE MCLNFLXA259 904-653 JUL 21 2002 THRU AUG 20 2002 *
• * • MPB MULTIPLE BILLS * • *

TERMINATING RECORDED MOU MESSAGES T/O FACTORED MOU

TANDEM

MTS

(PDR	0, PIU N/A, PIIU N/A, PLU N/A, PIBT	N/A)	
	6,006	1,416	6,006
	-----	-----	-----
TOTAL	6,006	1,416	6,006

FROM: NORTHEAST FLORIDA TELEPHONE CO.

BILL NO

03355529A3

INVOICE NO

02685529-A-02244

TO: SOUTHEASTERN SERVICE INC

BILL DATE

SEP 1, 2002

PAGE 6

* * * SUMMARY OF USAGE CHARGES FOR OFFICE MCLNFLXA259 904-653 * * *
* * * MPB MULTIPLE BILLS * * *

TOTAL - FLORIDA

RATE CATEGORY

TOTAL

INTRASTATE

TOTAL END OFFICE CHARGES	14,181.22
TOTAL CARRIER COMMON LINE	24,356.45

TOTAL INTRASTATE USAGE CHARGES FOR OFFICE MCLNFLXA259	30,537.67

TOTAL USAGE CHARGES FOR OFFICE MCLNFLXA259 38,537.67

FROM: NORCHEAST FLORIDA TELEPHONE CO.

BILL NO

03355529A3

INVOICE NO

02685529-A-02244

TO: SOUTHEASTERN SERVICE INC

BILL DATE

SEP 1, 2002

PAGE 7

* * * SUMMARY OF USAGE CHARGES * * *

TOTAL - FLORIDA

RATE CATEGORY

TOTAL

INTRASTATE

TOTAL END OFFICE CHARGES

14,181.22

TOTAL CARRIER COMMON LINE

24,356.45

TOTAL INTRASTATE USAGE CHARGES.

38,537.67

TOTAL

TOTAL END OFFICE CHARGES

14,181.22

TOTAL CARRIER *COMMON* LINE

24,356.45

TOTAL USAGE CHARGES

38,537.67

FROM: NORTHEAST FLORIDA TELEPHONE CO.

BILL NO

03355529A3

INVOICE NO

02685529-A-02244

TO: SOUTHEASTERN SERVICE INC

BILL DATE

SEP 1, 2002

PAGE a

. . . SUMMARY OF USAGE STATISTICS * * *

TOTAL - FLORIDA

INTRASTATE

ORIGINATING	RECORDED MOU	MESSAGES	AT/MSG MIN-AT	FACTORED MOU
TANDEM				
MTS	801,199	244,377		801.199
	-----	-----		-----
TOTAL	801,199	244,377		801,199

FROM: NORTHEAST FLORIDA TELEPHONE CO.

BILL NO

03355529A3

INVOICE NO

02685529-A-02244

TO: SOUTHEASTERN SERVICE INC

BILL DATE

SEP 1, 2002

PAGE 9

* * * SUMMARY OF USAGE STATISTICS * * *

TOTAL - FLORIDA

INTRASTATE/INTRALATA

TERMINATING	RECORDED MOU	MESSAGES	T/O	FACTORED MOU
TANDEM				
MTS	6,006	1,416		6,006
	-----	-----		-----
TOTAL	6,006	1,416		6,006



Northeast Florida Telephone Company, Inc.

A Company of NEFCOM, Inc.

October 3, 2002

Mr. Mark Woods, President
Southeastern Services, Inc.
P.O. Box 365
Macclenny, Florida 32063-0365

Re: Carrier Access Bill

Dear Mr. Woods:

Enclosed is the Carrier Access Bill (CABs) for Southeastern Services, Inc. dated October 1, 2002. This bill has been prepared pursuant to the rates, terms and conditions contained in BellSouth's Access Service Tariff, to which NEFCOM concurs.

As previously noted by Harriet Eudy of our company in her letter to you dated September 12, **2002**, NEFCOM is required by state and federal regulations to apply the provisions of the access tariffs in a nondiscriminatory manner. In this particular case, NEFCOM cannot give a competitive advantage to one interexchange carrier over another by not assessing the appropriate access charges. All other interexchange carriers using NEFCOM's network to originate or terminate long distance calls are billed access charges through the CABs system. ←

You can obtain a copy of BellSouth's Access Service Tariff by going to <http://cpr.bellsouth.com/pdf/fl/c996.pdf>. The section listing NEFCOM (or Northeast Florida Telephone Company) as concurring in the BellSouth tariff is shown in E1.2.

Please do not hesitate to contact me at 251-0639 if you have any questions. Harriet Eudy is also available to assist you at (386) 361-0700.

Sincerely,

A handwritten signature in cursive script, appearing to read "Deborah Nobles".

Deborah Nobles
Vice President of Regulatory Affairs

Cc: Harriet Eudy

Your Quality Service Communications Provider For over 40 Years

LAW OFFICES OF
SUZANNE FANNON SUMMERLIN.

2536 CAPITAL MEDICAL BOULEVARD
TALLAHASSEE, FLORIDA 32339

TELEPHONE (850) 656-2288
TELECOPIER (850) 656-5588

October 16, 2002

Ms. Bev DeMello
Director, Division of Consumer Affairs
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RE: Informal Complaint by Southeastern Services, Inc. Against
Northeast Florida Telephone Company

Dear Ms. DeMello:

Please accept this as Southeastern Services, Inc.'s ("SSI's") informal complaint against Northeast Florida Telephone Company pursuant to Commission Rule 25-22.032(2), Florida Administrative Code. On September 12, 2002, Northeast Florida Telephone Company ("NEFCOM") sent the attached letter to SSI demanding that SSI pay access charges to NEFCOM for the month of September 2002 or NEFCOM will discontinue service to SSI. NEFCOM subsequently sent the second letter attached hereto dated October 3, 2002, with a bill attached demanding payment of approximately \$40,000 in access charges for the month of September 2002 by October 31, 2002. NEFCOM asserts that SSI is operating pursuant to its Interexchange Certificate to provide long distance services and, therefore, SSI is subject to access charges.

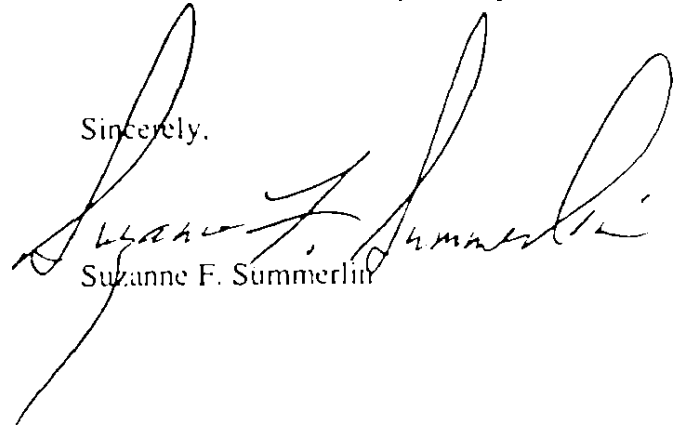
SSI is not offering long distance services pursuant to its Interexchange Certificate. SSI offers Voice Over Internet Protocol ("VOIP") services by way of the public internet. This traffic is ISP-bound traffic over which the Florida Public Service Commission has no jurisdiction. The FCC has not issued any decision that states access charges are appropriate for such service. There is no interconnection agreement, statute, rule, court decision, FCC decision, or Florida Public Service Commission decision that provides any shred of legal support for this action by NEFCOM.

SSI also operates as an Alternative Local Exchange Company offering local telecommunications services by way of resale of NEFCOM's local telecommunications services. SSI provides local calling between Macclenny and Jacksonville just as NEFCOM provides local calling between these two cities under NEFCOM's extended calling service.

Given the two types of services provided by SSI, there is no conceivable scenario under which SSI is required to pay NEFCOM access charges. As provided in Rule 25-22.032, Florida Administrative Code, SSI is *disputing* NEFCOM's entire bill for access charges for the month of September 2002. NEFCOM is thereby *prohibited* from discontinuing service to SSI on the basis of SSI not paying NEFCOM these disputed access charges.

SSI is prepared to participate in any meeting the Florida Public Service Commission staff schedules within the informal complaint resolution process. Please feel free to contact me with any questions or concerns at (850) 656-2288. Thank you for your expeditious handling of this matter.

Sincerely,

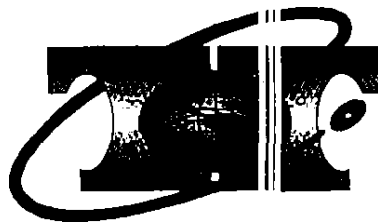
A handwritten signature in black ink, appearing to read "Suzanne F. Summerlin", is written over the typed name. The signature is fluid and cursive, with a large loop at the end.

Suzanne F. Summerlin

SFS/am

Attachments (2)

cc: Mr. Mark M'oodr, President, SSI
Jeffrey Wahlen, Esq, Attorney for NEFCOM
Ms. Sally Simmons
Mr. Rick Moses
Mr. Lenny Fulwood



TOWNES TELECOMMUNICATIONS SERVICES CORPORATION

EXHIBIT D

December 3, 2002

Mr. Mark Woods
Southeastern Services, Inc.
P.O. Box 544
Maccleenny, Florida 32063

Re: Carrier Access Billing

Dear Mark:

By letter dated September 12, 2002 from Harriet Eudy, NEFCOM notified you that the service arrangement provided to Southeastern Services, Inc. (SSI) for use in accessing and users subscribing to SSI's Flat Rated Long Distance plan was a Feature Group A (FGA) arrangement available to interexchange carriers out of the Access Services tariff. As such, traffic originating or terminating over these facilities is subject to access charges. While we do understand that SSI disagrees with how the services are being provisioned and has filed a complaint with the Florida Public Service Commission regarding the 10/1/02 and 11/1/02 CABS bills submitted to SSI by NEFCOM, we must continue to operate as if this is a FGA arrangement until such time as the Commission or FCC rules otherwise.

Because SSI did not originally order the services as FGA as NEFCOM believes that it should, NEFCOM was not able to track the minutes of use originating or terminating on NEFCOM's facilities and, therefore, monthly CABS bills could not be generated. Once NEFCOM realized that this was in fact interexchange traffic, the appropriate mechanism was set up to track actual usage and the CABS bills were initiated.

We requested to meet with SSI in September to discuss this and to begin negotiations on the appropriate access billing for the period prior to the date NEFCOM was able to track the usage. To date, SSI has not been receptive to meeting with NEFCOM; therefore, we have estimated monthly usage back to the date the service was installed. Based on our records of the in-service date and on information contained on SSI's web site, the Flat Rated Long Distance Service began being offered in December 2000. We have prepared CABS bills starting with the bill dated 2/1/01 for usage during January 2001 and then monthly through the 9/1/02 bill. These bills along with the bills already submitted to SSI, should bring the access billing up to date.

P.O. Box 544
283 East Shuey Avenue
Maccleenny, Florida 32063
(904) 259-0645
FAX: (904) 259-7722

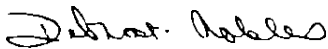
Mr. Mark Woods
Southeastern Services
December 11, 2002
Page 2

I have enclosed the estimated CABS bills for the period 2/1/01 through 8/1/02 and an actual CABS bill for 9/1/02. In addition, SSI will continue getting monthly CABS bills for current usage. These bills are dated the first of the month and are for usage during the prior month.

Service will not be interrupted during the period that the billing is being disputed. However, any unpaid amounts may be subject to late payment penalties upon resolution of the dispute.

Please do not hesitate to contact me at 259-0639 if you wish to discuss this further.

Sincerely,



Deborah Nables
Vice President of Regulatory Affairs

Enclosure .

Cc: Harriet Eudy (with enclosures)
Jell Wahlen -Ausley & McMullen (w/o enclosures)
John Fons -Ausley & McMullen (w/o enclosures)

Northeast Florida Telephone Company, Inc

Billing & AMOU for Southeastern Services, Inc

For CABS Dares 2-1-01 through 11-1-02

CABS Bill Date	**SSI Access Lines	***Originating AMOU	Total Revenue
11/1/02	1164	800,497	538,503.91
10/1/02	1142	829,118	39,880.58
9/1/02	1109	801,199	38,537.67
8/1/02	1097	781,132	37,572.46
7/1/02	1086	773,300	37,195.71
6/1/02	1059	754,074	36,270.95
5/1/02	1038	739,121	35,551.70
4/1/02	1026	730,576	35,140.70
3/1/02	985	701,381	33,736.44
2/1/02	931	662,930	31,886.93
1/1/02	894	636,584	30,619.67
12/1/01	855	608,813	29,283.91
11/1/01	821	584,603	28,119.41
10/1/01	797	567,514	27,297.40
9/1/01	770	548,288	26,372.65
8/1/01	734	522,654	25,139.64
7/1/01	703	500,580	24,077.89
6/1/01	674	479,930	23,084.63
5/1/01	639	455,008	21,885.87
4/1/01	597	425,101	20,447.36
3/1/01	511	363,864	17,501.85
2/1/01	410	291,946	14,042.58

\$652,149.91

** Based on the Monthly ALEC Line Report

*** From Aug 1 2002 bill date back the access lines are multiplied by
a 3 month average of recorded usage divided by the access lines for those months

LAW OFFICES OF
SUZANNE FANNON SUMMERLIN

2536 CAPITAL MEDICAL BOULEVARD
TALLAHASSEE, FLORIDA 32309

TELEPHONE (850) 656-2288
TELECOPIER (850) 656-5589

December 11, 2002

J. Jeffrey Wahlen, Esq.
Ausley Law Firm
P. O. Box 391
Tallahassee, Florida 32302-0391

RE: Concerns of Southeastern Services, Inc. with
Northeast Florida Telephone Company, Inc.

Dear Jeff:

My client, Southeastern Services, Inc. (SSI), currently has three categories of concerns with your client, Northeast Florida Telephone Company, Inc. (NEFCOM)

The first category of issues falls into the billing dispute over NEFCOM's attempted imposition of access charges on SSI's provision of phone-to-phone voice over internet protocol (VOIP or IP telephony) services. This category of issues will be addressed in the pending Docket No. 021061 currently before the Florida Public Service Commission, in which CNM Network, Inc. has requested a declaratory statement as to whether the Commission has jurisdiction over IP telephony, or its progeny (a rulemaking or generic proceeding). SSI is filing a petition to intervene in that docket, as NEFCOM has already.

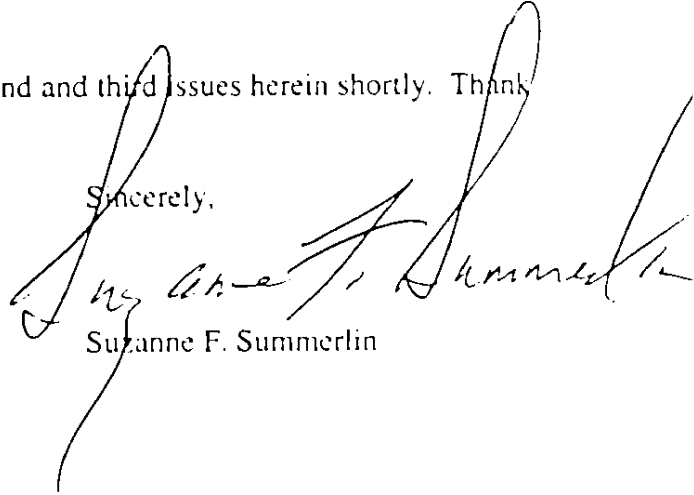
The second category of issues relates to the provision in the Resale Agreement between SSI and NEFCOM that states that SSI is prohibited from reselling NEFCOM's voice mail telecommunications service. **As** this provision violates the Telecommunications Act of 1996 and is thus illegal and of no import, SSI hereby demands that NEFCOM immediately make its voice mail service available for resale by SSI at the wholesale discount rate provided by NEFCOM for the resale by ALECs of its other telecommunications services. If necessary, the parties can immediately execute an amendment to the Resale Agreement providing for this change. If [his matter cannot be resolved immediately by NEFCOM, SSI will be forced to file a complaint with the Florida Public Service Commission. It seems far more economical for NEFCOM to simply make its voice mail available for resale immediately.

The third category of issues relates to NEFCOM's anti-competitive practice of requiring a PIC change for intraLATA toll and long distance service provider by any NEFCOM customer who wishes to change his or her local service to SSI. It is my

understanding that NEFCOM has refused to permit any local customer to change his or her local service to SSI without requiring the termination of his or her long distance services through NEFCOM's separate subsidiary, Northeast Florida Long Distance Company. NEFCOM has indicated this to SSI by way of direct conversation between a NEFCOM supervisory employee and Mark Woods, Jr., an SSI manager. These actions by NEFCOM are clearly grossly anti-competitive. This practice must be stopped immediately. SSI requires a written clarification to the effect that all future local customers of NEFCOM that choose to switch their local service to SSI will be permitted to have the long distance provider of their choice including Northeast Florida Long Distance Company, as required by law. Again, if this change is not made immediately, SSI will have no choice but to file a complaint with the Florida Public Service Commission.

I trust I will hear from you on the second and third issues herein shortly. Thank you very much.

Sincerely,

A handwritten signature in black ink, appearing to read "Suzanne F. Summerlin", with a long, sweeping underline that extends below the printed name.

Suzanne F. Summerlin

SFS/sbh

cc: Mr. Mark Woods, Sr., President, Southeastern Services, Inc.

Ms. Sally Simmons, Chief, Bureau of Market Development, Florida Public Service Commission

Mr. Lennie Fulwood, Engineer, Bureau of Market Development, Florida Public Service Commission

AUSLEY & McMULLEN

ATTORNEYS AND COUNSELORS AT LAW

227 SOUTH CALHOUN STREET

P O BOX 331 (ZIP 32302)

TALLAHASSEE, FLORIDA 32301

(850) 224-9115 FAX (850) 222-7560

December 19, 2002

Suzanne F. Summerlin
Suzanne Fannon Summerlin, P.A.
2536 Capital Medical Boulevard
Tallahassee, FL 32309

Re: Southeastern Services, Inc

Dear Suzanne:

This is in response to your letter of December 11, 2002, in which you address three categories of concerns that Southeastern Services, Inc. (SSI) allegedly has with Northeast Florida Telephone Company, Inc. (NEFCOM).

1. Access Charges

As NEFCOM reads your letter, it appears that SSI views NEFCOM's efforts to collect access charges associated with SSI's offering of long distance toll service through use of the "phone-to-phone voice over internet protocol (VOIP or IP telephony)" as somehow being impacted by the petition for declaratory statement filed by CNM Network, Inc. (CNM). Such reliance is ill-founded. As you may now know, the Florida Public Service Commission (FPSC) denied CNM's petition for declaratory statement and refused to institute a generic proceeding. The FPSC has instructed its staff to hold a workshop on the various issues driven by phone-to-phone IP telephony, but the FPSC will not take any further action at this time unless it is asked to resolve a complaint brought against an IP telephony provider.

In any event, SSI's obligation to pay NEFCOM access charges is founded on Florida statutes and case law. Until and unless the FPSC declares that phone-to-phone IP telephony is either not a "telecommunications service" or not, for other reasons, access charge eligible, SSI is obligated to pay NEFCOM the access charge amounts which NEFCOM has billed SSI and will continue to bill to SSI. NEFCOM intends to pursue collection from SSI of access charge amounts it is owed by SSI.

2. Voice Mail Resale

Your second concern is that the Resale Agreement between SSI and NEFCOM prohibits SSI from selling NEFCOM's voice mail telecommunications service. It is your contention that

the Telecommunications Act of 1996 requires NEFCOM to “make its voice mail service available for resale by SSI at the wholesale discount rate.” Your contention is wrong. Contrary to your contention, the United States District Court for the Northern District of Florida, in MCI Telecommunications Corporation, et al. v. Sprint-Florida, Incorporated, et al., Case No. 4:97CV231-RH, found that: “The Florida Public Service Commission erred when it concluded that, under the Telecommunications Act of 1996, voice mail is a ‘telecommunications service’ that an incumbent must provide a competitor at wholesale rates.” Order on Merits, page 20, entered March 30, 2001

3. IntraLATA Toll

Your final concern; “NEFCOM’s anti-competitive practice of **requiring** a PIC charge for intraLATA toll and long distance provider by any NEFCOM customer who wishes to change his or her local service to SSI” is totally misplaced and erroneous. NEFCOM is not acting in an anticompetitive manner by not allowing SSI’s customers to continue to be PIC’d to NEFLD. **As** a matter of fact, this is not an issue between NEFCOM and SSI, it is an issue of how NEFLD can bill its end user customers

NEFLD has a billing and collection agreement with NEFCOM to bill long distance services incurred by NEFCOM’s end user local exchange customers. NEFLD does not have the ability to bill its long distance services directly to an end user. NEFLD has not pursued a billing and collection agreement with SSI primarily because NEFLD is not aware that SSI has the ability to process toll tapes and to perform other tasks required by NEFLD in the toll billing process. Additionally, NEFCOM’s billing system cannot accommodate NEFLD once an end user access line has been resold to another local exchange provider. NEFCOM’s billing system can only bill based on an end user’s access line number and, therefore, NEFCOM cannot establish a separate direct billing arrangement between NEFLD and the end user.

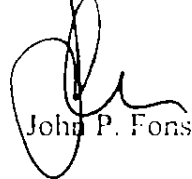
If SSI, in fact, has the ability to perform all of the same services for NEFLD that are currently performed by NEFCOM, then SSI should contact NEFLD about negotiating a billing and collection agreement so that SSI’s local exchange customers can select NEFLD as their long distance provider.

For your information, NEFCOM is currently pursuing a new billing system that will not be access line driven. NEFCOM has already received responses to an RFP from billing software vendors and will be making a selection within the first quarter of 2003. It will take additional time to convert to whatever new system NEFCOM selects, so no specific date has been established as to when the new billing system will be available to accommodate NEFLD billing needs.

Suzanne F. Summerlin
December 19, 2002
Page 3

I believe that **NEFCOM** has frilly responded to your three concerns. Please let me know if you need further clarification or have any other concerns.

Yours truly,

A handwritten signature in black ink, appearing to be "John P. Fons", written over a printed name.

cc: Debi Nobles
Harriet Eudy

EXHIBIT G

BILL NO	0335552933
INVOICE NO	02685529-A-030C
BILL DATE	JAN 1, 2003
ICSC OFC	IS26

SOUTHEASTERN SERVICE INC
ATTN: MARK WOODS
P.O. BOX 365
FWCCLENNY, FL 32063

BILLING INQUIRIES CALL (904) 259-2261

• PLEASE RETURN THIS DOCUMENT WITH YOUR PAYMENT TO THE ADDRESS LISTED BELOW *

NORTHEAST FLORIDA TELEPHONE CO.
130 N. 4TH STREET
MACCLENNY, FL 32063-0485

OUTSTANDING BALANCE BY INVOICE NUMBER - INDICATE IN THE AREA PROVIDED THE
AMOUNT REMITTED FOR EACH OUTSTANDING
INVOICE NUMBER.

INVOICE NUMBER	DUE BY	AMOUNT DUE	AMOUNT REMITTED
-----	-----	-----	-----
02685529-A-03001	FEB 3, 2003	\$38,112.86	\$ _____
02685529-A-02335	JAN 2, 2003	\$40,626.80	\$ _____
02685529-A-02305	DEC 2, 2002	\$38,503.91	\$ _____
02685529-A-02274	NOV 1, 2002	\$39,880.58	\$ _____
TOTAL		\$157,124.15	\$ _____